

## **ENVIRONMENTAL BENEFITS DISTRICT**

### **A FRAMEWORK FOR COMMUNITY REVITALIZATION**

#### **INTRODUCTION AND BACKGROUND**

Many neighborhoods in major U.S cities and communities have continued to decay, unemployment has risen, and some social problems have intensified. In Maryland, a State that has one of the highest per capita incomes in the nation, increasing attention to environmental concerns, quality of life concerns, crime, and neighborhood revitalization, parallels this situation.

There is a clear need to identify ways to make communities more economically viable while fostering environmental protection and protecting human health from environmental impacts. Particularly in disadvantaged communities, we need to know how environmental protection and economic development might be so shaped as to contribute to the solution of community revitalization.

Revitalization, environmental protection, and decision-making, particularly in disadvantaged communities are riven with conflicts over the proper definition of the scope, nature and seriousness of environmental problems. Multiple strategies exist with which to represent, characterize, and analyze such problems. Technical and scientific, popular and political, ideological and pragmatic styles of argument all vie with each other, making it harder and harder to reach consensus on appropriate strategies. Add to this, the simple fact that different interest groups (defined by economic, political, ideological or aesthetic concerns) pursue quite different objectives and agendas, and the confusions that attach to issues such as environmental equity and community revitalization are multiplied many times over. Consequently, communities with environmental concerns<sup>1</sup> are confused as to what perspective to take and what sorts of possible decisions and causes are worthy to pursue.

It is in this context that the state of Maryland has developed a framework that can bridge economic and environmental interests, reconcile differences, and improve sustainability. The framework, for example, can package a group of strategies capable of encouraging neighborhood revitalization, environmental protection, and economic development, while reducing social and economic concerns, and conflicts in affected communities. It was clearly recognized that the policies

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<sup>1</sup> Throughout, the draft, depending on criteria, “communities with concerns” is at times referred to as disadvantaged communities.

associated with the framework must be communicable and useful to diverse social groups, particularly those who have been marginalized from the environmental debate but whose support and compliance is essential to the success of any far-reaching environmental program. A framework developed by MDE to accomplish this is the **Environmental Benefits District (EBD) approach**<sup>2</sup>.

Environmental Benefits Districts are places where State government and other stakeholders can focus their financial, technical, regulatory, administrative, policy and other appropriate resources to benefit targeted communities. The EBD initiative was developed by MDE to foster sound environmental practices, healthy and safe communities, and proactive economic development for all Marylanders. The approach emphasizes concentrating state resources in targeted communities. It intends to encourage more governance that is effective by allowing, where appropriate, communities to sit face-to-face with several State and/or local agencies. This can provide a symbolic one-stop-shop opportunity to resolve concerns and facilitate a clear and consistent message. The concept acknowledges that many of the needed programs to protect and revitalize communities are in existence, albeit not focused or coordinated in some cases. EBDs provide the geographic focus and needs identification to make some existing programs more successful.

## **THE CONCEPT & DESIGNATION OF ENVIRONMENTAL BENEFITS DISTRICTS (EBD)**

The Priority Funding Areas (PFAs) Act of 1997 and Executive Order **01.01.2003.33** (“**Maryland’s Priority Places Strategy**”), suggest that State agencies in Maryland should prioritize their focus within PFAs to enable sound land use policy, economic growth, community revitalization, and environmental protection. **EBDs** will assist state agencies to achieve the visions of the PFA Act of 1997 and Executive Order **01.01.2003.33**. They build on the foundations of land development and community revitalization and those adopted as Maryland State policy in the 1992 Growth Act and the Maryland Brownfields Act of 1997.

This concept embodies the development of incentives and policies with the use of State resources that support communities and influence the location and characteristics of development. It is geared toward improving quality of life, creating economic possibilities, and enhancing opportunities for inclusivity and engagement with local, state, federal agencies and disadvantaged neighborhoods. It will use the authority of state and local government in communities targeted as environmentally

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<sup>2</sup> State, federal, local, communities, businesses, and other stakeholders working together.

challenged or disadvantaged.<sup>3</sup> These communities will receive priority attention that could manifest in several forms.

A first step in targeting EBDs will be the identification of state and other resources that can assist in focusing state efforts in targeted communities. For examples, site assessment and redevelopment of qualified brownfields sites; service delivery operations such as drinking and clean-water infrastructure improvements; alternative environmental technologies; concentrated outreach to bus companies and fleet owners to secure commitment to improve operation by using cleaner diesel fuel, alternative fuel (such as compressed natural gas [CNG]), and retrofitting dirty diesel engines with devices to reduce pollution; fish tissue advisories; targeted enforcement; and, compliance assistance, etc.), are all resources that exist within MDE that will likely support EBDs.

The Maryland Department of Planning (MDP) could undertake special analyses of potential benefits and positive impacts to encourage environmentally and economically beneficial development. Department of Business and Economic Development (DBED) could target development to EBD designated areas. DHMH could provide support by conducting asthma assessment for children and adults by collaborating with local hospitals, community centers, or clinics. Parks and Recreation could commit to providing some special attention to local park grounds that may have been ignored for some time. Local public works departments could offer to clean up a community to kickoff the program. In some cases, local and state police could of a law enforcement project together. While in other cases, it may simply be a shifting of an agency's priorities to accelerate an activity that was slated to happen later. In essence, EBDs will be encouraged as collaborative projects in targeted communities with varying levels of government and community participating.

A second step in targeting EBDs is the identification of specific programs that could become more successful by focusing their efforts in identified communities. This focus will serve as a stimulus for environmental protection and economic development.<sup>4</sup> From MDE's perspective, other efforts will include, the services and resources offered by programs such as the Stormwater Pollution Control and Small Creek and Estuary Restoration, Agricultural Cost-Share, Flood Mitigation, Water

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<sup>3</sup> Communities should be mapped in advance. In some cases – communities targeted as community legacy areas could be viewed as an Environmental Benefits District.

<sup>4</sup> A list of possible programs suitable for addressing community revitalization currently exists in the Smart Growth Toolkit. The Commission on Environmental Justice and Sustainable Communities is developing others.

Quality and Drinking Water Revolving Loan Funds and Water Supply Assistance and Supplemental Assistance. From DNR's perspective, resources, services, and programs such as Program Open Space (POS), the Rural Legacy, GreenPrint, Community Parks, Playground, and the Waterway Improvement Program could become applicable in appropriate EBDs.

Some of DHCDs programs that may be useful in implementing an EBD include the Neighborhood Business Development Program and the Neighborhood Partnership Program. Other state programs weighted toward designated neighborhoods (such as the Sidewalk Retrofit Program), have important services that could make EBDs a model for rebuilding and sustaining communities across Maryland. Other State agencies such as the Departments of Planning (analysis of different growth scenarios, community design, visioning and goal setting, and analysis of zoning and land development regulations), Transportation, and Health could likely play a role in this venture.

In addition to incentives and policies targeted toward the revitalization of these communities, analyses such as cumulative impact assessments (MDE, MDP, DBED & DHCD), community characterizations (MDP), and epidemiological assessments (DHMH), could be engaged by appropriate agencies and stakeholders to improve decision-making. Importantly, it may be useful for some communities to go through a quick visioning/goal setting process when they become an EBD, so it is clear what they want to work toward. If they have recently gone through a similar process with widespread involvement, then that would suffice. Finally, EBDs will focus and encourage MDE and State programs to get the "best bang for the buck" by positive and synergistic interactions. EBD is also a policy that recognizes a strong need for coordination among state and other resources to rebuild and sustain our communities.

#### **A CASE FOR EBDS: BENEFITS TO STAKEHOLDERS**

The problems faced by some communities are often very great. They include community opposition to locally unwanted land uses (LULUs), limited funds for infrastructure upgrades, improvements, lead poisoning, respiratory concerns, opposition to density and the mixing of uses, outdated regulatory practices, inability to engage in local planning and development process, and difficulties related to financing economic development activities. Unlike other aspects of daily life and work, the act of planning local communities requires an understanding of complex and sometimes counterintuitive processes that unfold over long periods. Often, communities have few resources to dedicate to long-term planning because their immediate needs are so great.

For this reason, it is important for citizens, businesses, and government to have at their disposal, strategies that are supportive of economic development, community sustenance, and an understanding of the way environmental, economic, and development decisions affect them over time. To this end, many of the strategies espoused by EBDs will act to reduce complexity and enable citizens, businesses, and government to see their recommendations turned from thoughts and contestations into conciliatory development. This response helps to achieve public consensus for innovative plans.

Particularly, to the business community, EBDs can facilitate opportunities for economic development, innovation, and small business growth with community and state support. This also creates a positive image and relationship with community and provides accessible labor pools and utilization of existing incentives and resources to offset some cost. Other benefits to the business community will likely include better understanding and greater support of management activities, industry procedures, state policies, and community issues and reduce delays and costs associated with opposition and litigation to targeted projects.

From a government and environmental perspective, EBDs will encourage proactive environmental protection and significant state role in stimulating local economies; create “smarter” growth and assist in stabilizing poor and disenfranchised communities; influence the location of some types of development – encourage development where governments want to target their efforts; identify communities that are most in need; encourage proactive collaboration among state, business, local government, and communities; create more efficient use of state, local, community, and business resources – including land use; and, enable better geographic focus and needs identification to make some existing programs more successful.

Still other EBD strategies will allow communities and citizens to see that there may already be broad consensus around desired models of growth in their community. EBDs will help communities to receive strategic and prioritized attention from state/local government and businesses; provide opportunities for input into decision-making and the generation of community goodwill; assist in revitalizing and stabilizing poor and at risk communities and their neighborhoods; and, promote employment opportunities and better relationships with government and businesses.

EBDs will help to shorten the feedback loops essential to the process of community and other stakeholder knowledge by early and active engagement in planning and development activities. In communities where there are long traditions of citizen activism related to planning and environmental permitting issues, participation in comprehensive environmental and planning efforts can help to diffuse conflicts.

Most importantly, the strategies encouraged by EBDs can help citizens, businesses, local and state governments plan for and implement efficient, economically viable, and smarter growth. Some of the complex problems shared by communities throughout Maryland and the United States, are evidence of poor planning. Community revitalization and economic development require a transition from poorly managed areas to economic, environmental and land use-planning practices that create and maintain sound environmental practices, natural systems, proactive business culture, improved infrastructure, and celebrate a sense of community.

#### **THE TENETS AND ADDITIONAL BENEFITS OF EBDs**

EBDs will assist in stabilizing neighborhoods by stimulating interests in targeted communities and encouraging employers to relocate in those neighborhoods with community input. In this context, a compelling incentive that could support EBDs would be Job Creation Tax Credit (the State offers increased incentives through this program for Designated Neighborhoods). This could encourage mid-sized and smaller businesses to invest in EBDs areas around the State. Small businesses comprise almost 80 percent of Maryland businesses, and small businesses in particular generate the majority of new job growth in the State. This proposal would encourage small business development and job growth in EBDs where available labor pools might be accessible. The EBDs could also benefit directly from the expenditure of specific types of State funding to geographic areas of Maryland.<sup>5</sup>

EBDs will also be advanced by incentives that are geared toward supporting environmentally benign and energy-efficient buildings and development, transportation systems and industrial processes and citizen involvement in development. Programs such as energy efficiency and green print development practices can create jobs, lessen citizen concerns, and reduce air, water, and soil pollution. They can also help communities retain and improve their wealth through energy savings –

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<sup>5</sup> See footnote # 2

money normally sent to the utility company stays within the community's economy. Collectively, the appropriate incentives and strategies could weave together resources and information about energy use, environmental protection, economics, social demographics, physical design, and pollution that can stimulate sustainable development in EBDs.

Finally, EBDs will work to enhance the quality of life in communities through a new vision of economic development, environmental protection, land use, and development. They seek to improve the quality of life of all communities. These communities are looking for a greater voice in determining the future of their neighborhoods. EBDs intend to increase the support and effectiveness of state and local government programs by taking an integrated, proactive approach that recognizes communities at risk. The EBD initiative, when fully developed, will include the following as its fundamental tenets:

1. State, local governments, and communities identify potential EBDs;
2. An EBD committee led by MDE with MDP, DNR, DBED, DHCD, MDOT, local government, and communities to determine which areas to target;
3. Once an EBD is targeted, State agencies, local government, private foundations, private agencies, non profits, and the community undertake preliminary assessment to determine the most appropriate incentives, development & protection options;<sup>6</sup> MDP (and DBED) could work with the community on a visioning/goal setting process, and MDP will analyze land use regulations to determine whether the land use regulations are supportive of the vision;
4. Project implementation will include community-based input that gives residents and other stakeholders a seat at the table with state agencies and businesses to decide what types of development best serve their needs – proactive public participation and inter-agency coordination that help state agencies develop unified solutions to problems, etc.; and,
5. The EBD committee and other stakeholders will identify appropriate resources that can increase the effectiveness of potential projects and opportunities to revitalize and sustain communities.

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<sup>6</sup> See footnotes 2 & 3

## **METHODOLOGY**

Currently, in the early stages of the EBD initiative, MDE will make the final determination of any EBD. However, in doing so, we will work collaboratively with various stakeholders, to ensure the project's viability. Once an EBD is targeted and decided upon by MDE (later in collaboration with other state agencies) with input from local government and communities, MDE and partners would initiate a characterization process to fully identify MDE permits, socio-economic and environmental resources, etc., in the targeted area. Paralleling the characterization process will be a mechanism that involves partners identifying how best they could expend and/or use their resources to benefit environmental protection and economic stimulation in targeted areas.

The interested party (planning, environment, legislator, community, etc.) of the municipality will be engaged concerning targeted EBD areas. Once the program is operational, a county could apply to the EBD committee (comprised of the Secretaries of MDE, DBED, MDP, DHCD, DNR, and MDOT) on behalf of a community organization, with support from the neighborhood associations, for targeting. Also, in the long-term, two or more political subdivisions may be eligible for designation as an EBD, if the EBD location crosses their common boundaries and satisfies the general criteria requested by the program.

The EBD committee shall not target more than one EBD in a county in any calendar year. The determination of the EBD Committee, as to the areas targeted as EBDs shall be flexible. Targeting, in some cases, may require the adoption of certain regulations; for examples, authorizing the use of state related financing, enforcement, and compliance flexibility, Economic Development Assistance Fund and Green print program, etc. State support for EBDs should be limited to 5-10 years. Notwithstanding, monitoring and evaluation will take place annually to discern if changes are needed to the program.

## **CRITERIA**

Potential criteria for EBDs could include, communities contributing significant nutrient loading to the Chesapeake Bay, communities that are host to Locally Unwanted Land Uses (LULUs), communities facing imminent threat of new LULUs, communities hosting brownfields sites and specific categories of industrial sites or identifiable contentious issues within communities. Notably, this classification could be extended to communities potentially threatened by facilities and where projects and or activities are proposed but are conflict with the goals espoused by the state policies



and those of the communities. Any area targeted, as an EBD, should exhibit at least five of the following criteria:

- Strive to attain and complement the State's Priority Places Strategy six initiatives;
- Demonstrate an environmental justice concern;
- Areas where local government would support an EBD initiative;
- Demonstrate a need and/or possess the potential for economic development opportunities;
- Demonstrate capacity development or are willing to get support to improve capacity development (ability to manage and support activities);
- Distinguishable in their historical character: minimum 5 years old;
- Possess formal/established non-profit agencies or community groups geared towards goals espoused by EBD: environmental ethic, cultural ethic, and business ethic;
- Currently located within the state priority funding area
- Currently designated as an empowerment zone, enterprise zones, neighborhood district or other local or state program intended to facilitate planned growth;
- Communities in which residents have difficulty getting jobs because the right type of jobs are not easily accessible and alternative forms of transportation are not readily available.
- Communities with landfills, failing water, wastewater and sewer infrastructure systems (potential risk to public health and welfare);
- Areas with Locally Unwanted Land Uses (LULUs)
- Communities where currently there are existing or proposed activities or infrastructure that are potentially impairing, may contribute to pollution and to which 15-20 or more stakeholders are in conflict. A stakeholder could be one citizen;
- Communities that are subjected to a corrective action plan approved by the Department of the Environment in accordance with title 4 of the Environment Article; and,
- Communities located in a county or municipality that has elected to participate in the brownfields revitalization incentive program in accordance with § 5-1408(a) of this subtitle.

## **POSSIBLE FUNDING**

Resources such as the State's programmatic and administrative services should augment some of the need for traditional funding to implement EBDs. These resources will ultimately leverage other resources including other funding mechanisms that have been mentioned in this document. These include utilizing current resources available through existing policy directives as well as in-kind resources from state government, EPA's (EPA has promised some type of support), local government, and other partnering stakeholders, for examples. Two other non-traditional funding approaches are worth mentioning.

First, the creation of venture funds. Currently, the National Small Business Association (SBA) has created a nationwide program that authorizes seven such funds designed to help companies in distressed areas often overlooked by other venture or investment capital funds. The idea is to raise

private capital, which will then be matched by SBA in loans. Additionally, several millions are provided through the SBA for technical assistance. While venture funds are often risky, the rationale here is to use untapped resources available in local communities. Potential venture companies could include horticulture, biotech, alternative environmental technologies, aquaculture, trees, creameries, culture – food, arts, museums, and rehab homes, etc.,

A second funding apparatus that would require greater partnerships is to build a concept of community capital. Research has shown that communities possessing strong social capital (tightly knitted) tend to be less disenfranchised and more likely to spawn viable revitalization and economic development opportunities. This concept of community capital can be applied by systematically investing resources that can build human, natural and other capital through strategic investments in church base initiatives, collegial, family, and community oriented approaches.

## **CONCLUSIONS:**

The EBDs initiative is part application and part reflection on the experience gained from attempts to address community concerns and initiate sustainable environmental and economic development. It contemplates an active intervention into community revitalization and at the same time, it provides means and grounds to reflect upon what such intervention can accomplish. It shows and evaluates ways to extract and examine a broad array of environmental issues at different geographic scales and assists state agencies, local government, and other entities - particularly communities to improve their capacities to understand and respond to varying economic and environmental concerns.

Problems may extend well beyond immediate threats within EBDs. Rather than being viewed in isolation, community problems should be viewed in the larger context of the effects environmental, economic and other conditions. That is, the risks, while undeniably real, may be considered an effect of the larger cause of environmental decision-making. Therefore, attempts to redress these concerns must be approached by diverse groups working collaboratively. **Importantly**, EBDs recognized that many of the programs needed to rebuild and sustain communities do exist, but at times are not focused or coordinated. EBDs provide the geographic focus and identification of needs to make the existing programs more successful.

The concept of EBDs embodies a holistic interdisciplinary and collaborative approach that focuses on using successful approaches to resolve and/or address seemingly intractable problems. It is believed that some environmental problems can only be successfully solved through community-based planning and activities under a set of narrow conditions. Most important among these is that the problem be readily articulated and addressable under local government and state policies, procedures and administrative practices. EBDs will help to represent areas of concern and with the active integration and use of state, local government and other resources, those concerns may be better understood and ultimately, this will result into better environmental decision-making, less citizen oppositions and more economically viable and sustainable communities.

Finally, EBD strategies will help citizens, local and state governments to achieve some of the goals of Governor Ehrlich's Priority Places Strategy and key initiatives. Environmental protection and community revitalization require a transition from poorly managed areas to sound environmental and planning practices that create and maintain protection from environmental insults, natural systems, proactive business culture, improved infrastructure, and a celebration of communities.